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He Pou a Rangi
Climate Change Commission

Tauākī Tūmanako
Statement of Performance Expectations

2026/27

Presented to the House of Representatives pursuant to section 149L of the Crown Entities Act 2004

Statement of Performance Expectations 2026/27
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Te kupu haepapa | Statement of responsibility

This document constitutes our Statement of Performance Expectations (SPE) as required under the Crown Entities Act 2004.

The descriptions of our purpose, role and functions are consistent with the Climate Change Response Act 2002.

This SPE covers a one-year period from 1 July 2026 to 30 June 2027 and should be read in conjunction with the Commission's Statement of Intent (SOI) 2026–2030.

The Board is responsible for the content of this SPE, which comprises the reportable outputs and the prospective financial statements for the year, including the assumptions on which they are based, and for the judgements used in preparing them.

Our performance measures have been developed to conform to the relevant reporting standards, alongside our key outputs, and the Commission's mid-term strategy as set out in our SOI.

This SPE has been prepared in accordance with the relevant provisions of the Crown Entities Act 2004.

The Prospective Financial Statements have been prepared in accordance with generally accepted accounting practice in Aotearoa New Zealand.

In accordance with the Crown Entities Act, the Commission has consulted with the Minister in the preparation of this SPE.

Dame Patsy Reddy
Chair | Tumuaki
9 June 2026

Lisa Tumahai
Deputy Chair | Tumuaki Tuarua
9 June 2026

Te karere a te Tumuaki | Chair's message

Ka tū te tau pūtea 2026/27 i roto i te rangirua me te tākohukohu puta noa i te ao, i konei anō hoki i Aotearoa.

Mā ngā pakanga huri i te ao, mā ngā pāpānga ohorere ki ngā pūnaha whakarato pūngao, me te nui ake o ngā takunetanga huarere taikaha huri noa i te whenua e pēpēhia hūrokirokitia ana ō tātou pūnaha, pakihi, hapori hoki.

E whāomo ai te whakaiti i te whārahi o ngā tūraru e anganui ai tātou, me haere tonu tā tātou whai wāhi ki ngā kohakoha ā-ao ki te whakaiti tukuwaro, ki te haumi ki te urutau kōkirikiri hei hanga i te aumangea me te taurikura o Aotearoa ā ngā tau e heke iho ana. He āwhina tō ngā mahi tohutohu me te aroturuki a He Pou a Rangi ki te whakarato i te tūwhena, te māramatanga me te ōritenga mō ngā mahi whakamauru huringa āhuarangi ki Aotearoa.

I te pakari haeretanga o He Pou a Rangi, kua whakakētia ā mātou whakawhitiwhiti kōrero ki ngā kiripānga, ā, ka whakapakari tonu i te āhua e whakapuakina ai ā mātou whakawā matua, ngā tukunga, me ngā pāpātanga whānui ake o ā mātou tohutohu.

Arotahi tonu ai mātou ki te whakawhitiwhiti kōrero e tōtika ana. Ko tā mātou he miramira i ngā mahi mā ngā kaiwhakatau, he whakaatu anō hoki ka pēhea ngā mahi whakamauru huringa āhuarangi e hāpai i te tipuranga ōhanga, te haumarutanga ā-pūngao me ngā putanga toiora pai ake mō Aotearoa.

He mea taketake te mana urungi kaha kia arataki angitutia ngā whakahaere i ngā wā tino pāhekeheke, ā, he māia ahau ki tā te poari urungi i He Pou a Rangi. Ko tā mātou arotahi he whakarite kia mārama me te wātea ā mātou pūrongo ā-ture, ka mutu, ka tautīneitia ki ngā taunakitanga me te tātaritanga e pakari ana.

Ko te painga atu mō tātou, mō te whenua nei, ko te haerenga tonutanga o tā tātou whai wāhi ki ngā kohakoha ā-ao ki te whakaiti tukuwaro. Kāore anō kia pēnei te hira o te haumi wā, moni me te kohakoha ki te aumangea āhuarangi i mua. Ehara tēnei i te kōwhiringa i waenga i te whakapau moni ki te whakarite i tētahi ōhanga tukuwaro iti ake, i te karo rawa i ngā utu katoa. Kei te pā kē mai ngā utu mā ngā mahi whakaora anō, urupare hoki e tāruaruatia ana ki te huarere hūkerikeri me ngā pānga o te huringa āhuarangi. Mā te mahi tonu ki te whakaiti tukuwaro e whakaheke i te nui o te tūraru, me te aha ka āwhina ki te tiaki i te taurikura tauroa o Aotearoa.

I te tau 2026/27 ka haere tonu tā He Pou a Rangi whakarato i ngā wāhi tohutoro tūwhena me te pono e tokona ai te māia ki ngā mahi whakamahere wā roa a ngā kaiwhakatau me te ōhanga whānui ake. E pūmau tonu ana tō mātou ū ki te whakarato i te papa taunakitanga e waihangaia ai he Aotearoa taurikura, aumangea ā-āhuarangi, e iti ai ana tukuwaro.

The 2026/27 financial year will take place amidst uncertainty and volatility across the world and here in Aotearoa New Zealand.

Global conflict, the resulting energy shock, and the increasing frequency of extreme weather events across the country are putting sustained pressure on our systems, businesses and communities.

To effectively reduce the scale of risks we are facing, we need to continue to contribute to the global effort to curb emissions and to invest in proactive adaptation to build Aotearoa New Zealand's resilience and future prosperity. The Commission's advice and monitoring helps to provide stability, clarity and consistency for climate action in Aotearoa New Zealand.

As the Commission has matured, we have adjusted our communication to stakeholders, and we continue to strengthen how we articulate key judgements, trade-offs and the broader implications of our advice.

We continue to have a focus on effective communication. We work to highlight action for decision-makers, and show how climate action supports economic growth, energy security and improved wellbeing outcomes for Aotearoa New Zealand.

Strong governance is fundamental to successfully guiding institutions through turbulent times, and I am confident in the Board's stewardship of the Commission. We are focused on ensuring that our statutory reports are clear, accessible and supported by robust evidence and analysis.

It is in our best interests as a country to continue to contribute to the global effort to curb emissions. It has never been more important to invest time, money and effort in climate resilience. This is not a choice between spending on a transition to a lower-emissions economy or avoiding costs altogether. The costs are already being incurred through repeated recovery and response to severe weather and the impacts of a changing climate. Taking action to lower emissions will reduce the scale of risk and helps protect Aotearoa New Zealand's long-term prosperity.

In the 2026/27 year the Commission will continue to provide stable, credible reference points that support confidence in long-term planning by decision-makers and the wider economy. We remain committed to providing the evidence-base to help build a thriving, climate-resilient and low-emissions Aotearoa New Zealand.

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Dame Patsy Reddy
Chair | Tumuaki
9 June 2026

Te kupu a te Tumu Whakarae | Chief Executive's message

Puta noa i te tau kua hori, e haere tonu ana tā Aotearoa aro atu ki ngā rara whaitake o te āhuarangi hurihuri, i te taha o te pāhekeheke ōhanga ā-ao whānui ake.

Ina koa rā i ngā marama tuatahi o te 2026 kua whakatōhenehenetia te tokomaha o ngāi Aotearoa e te riri o Tāwhirimātea, ka mutu, kua hurihia tō rātou ora ā-ia rā.

Nā ngā pāpātanga e nui haere ana o te huringa āhuarangi ka tino hira ake ngā mahi whakamahere i tēnei wā tonu. Kua tāroretia a Aotearoa i tēnei wā e te hiahiatanga kia urupare tonu ki ngā rara o te huringa āhuarangi, me te whakaora mai anō i ngā takakino, ko te tikanga tāruaruatia ai, ki te tūānuku, ngā kāinga me te whakaratonga kai.

Ehara i te mea e kitea nei te whakatōhenehene i Aotearoa anake, ko ngā āwangawanga ā-ao, ko te kōpaka kora, me ngā utu piki tonu kei te whakanui tonu i ngā pēhanga ā-utu oranga ki ngā wharenoho, me te maha o ērā e whakatikatika tonu ana i ngā mea whai muri i ngā takunetanga huarere taikaha.

Ki te maha o ngā wharenoho, me whakahaere rātou i te whakatōhenehene i tua atu i te tū pakari tonu i te ao o ngā utu piki tonu. Ko aua whānau e whakatere kē ana i ngā moana karekare o ngā utu nunui mō te kai, te kora me te inihua, me anganui atu ki te whakatika kāinga me te tūāhanga, i a rātou e ngana ana ki te whakamahere, me te takatū ā-hinengaro, mō ngā āhuatanga ka whai ake.

Ka rongo pea te tangata i te pūrautanga nā te rarahi me te tere o aua pēhanga, me te aha tē taea ngā mea katoa te aro atu i te wā kotahi. Ka whakanuia te pāhekeheke mō Aotearoa e te ūngutu haere o aua tūraru, tērā ka miramira i te hira o te whakatau tōmua i ngā take e whakamaurutia ai ai te noho whakaraerae, e aro hāngaitia ai hoki ngā tukunga. Ko te mea hira nei, me arotahi ngā wāhi kei reira ngā tūraru tino nui rawa, e nui rawa ai te pāpānga mā ngā mahi kōkiri, ā, i taua wā anō me mārama ki ngā tukanga ka whai wāhi.

Nā konei kei te piki haere te tūnga o He Pou a Rangi. Kei te whakapau werawera mātou hei whakarite ka whai urunga ngā kaiwhakatau puta noa i te kāwanatanga, ngā pakihi me ngā hapori ki te tātaritanga hāngai mō ngā tūraru, ngā tukunga, me ngā kōwhiringa i roto i te wā.

I te tau 2026/27 ka whakapuaki mātou i tā mātou pūrongo, me ā mātou tohutohu ā-tau mō te aroturuki whakaiti tukuwaro mō te Kaupapa Hokohoko Tukunga o Aotearoa (NZ ETS), ngā herenga hokohoko me te ritenga taura-utu. Ka whakapuaki anō mātou i te aromatawai koke whakamua tuarua o te Mahere Urutaunga ā-Motu. Whai muri i ngā huringa ture o nā tata nei, ka whakapuaki tohutohu whakahou mātou mō te tahua tukuwaro hei Māehe 2027.

Nā te hōtaka mahi, he mea ka whakatakoto ā-ture, e kawe ana a He Pou a Rangi i tana mahi ki te whakarato tohutohu mō te whakamauru me te urutau ki ngā pānga o te huringa āhuarangi.

Noho ai te urutaunga ki te haputa o ngā mahi i te whakakaha haere o ngā pāpānga o te huarere taikaha, me tana whakatōhenehene i te ora ā-rā o te tangata. Engari, arā ngā tepenga ki tērā ka taea e te urutaunga anō. E whāomo ai te whakaiti o te korahi tūraru e anganuitia ana e tātou, me koke whakamua tonu ā tātou kohakoha hei tāpiritanga atu ki ngā kohakoha ā-ao ki te whakatina tukuwaro. Mō tēnei wā tonu nei, ko te tōmua ake o ā tātou haumi wā, moni me te kohakoha ki te aumangea āhuarangi me te whakaiti tukuwaro, te iti iho o ngā utu me ngā tūraru whānui tonu.

Mā He Pou a Rangi ā matou mahi e whakatutuki i runga i te arotahi kaha ki tērā e tino whaitake ana, mā te whakarato i te whakawā pono me te kaha whai wāhi huri noa i te kāwanatanga, ngā pakihi me ngā hapori. Kei te mōhio mātou kei te tuku mātou i ā mātou pūrongo i te taiao heihei, pāhekeheke hoki, engari ka anga tonu ā mātou mahi ki ngā wāhi kei reira te pāpānga nui rawa.

Pērā i tohua ai i tērā tau, ko te hua o ngā whakahekenga tahua pūtea o te tau ahumoni 24/25 ko te whakahekenga o te tapeke kaimahi mā te kotahi hautoru. Nā taua heke haere o te tokomaha kaimahi he nunui rawa ka taea ngā mahi ka oti i a mātou.

He kōpipiri tō mātou āhei ināianei ki te urupare i runga i te raungāwari, ki te whakatutuki i ngā popono tāpiri, kua whakakētia rānei, ka mutu, kua taparetia tō tātou manawaroa whakahaere. Hei te takanga o te wā, ka pā nuitia atu tō mātou āhei ki te mau tonu ki te kounga o ā mātou mahi, ki te tautoko tonu i te toiora kaimahi, ki te whakarite kia whaihua tonu tā matou whai wāhi atu pērā i nāianei, ki te pupuri tonu i te raukaha ki te āta tārei me te whakawhitiwhiti i runga i te tōtika i ā mātou mahi ki ērā hunga e whirinaki ana ki ā mātou tātaritanga.

Mō te tau e tū mai nei, koinei te Tauākī Tūmanakohanga Whakatutuki tuatahi ka tukuna i te wā o te Tauākī Whakamaunga Atu hou. Ina tirohia anō e au te Tauākī Whakamaunga Atu tōmua, e poho kererū ana ahau ki tērā i tutuki i a mātou i taua houanga wā, ina koa rā te tino tere o ngā panoni rāroto, ā-ao hoki, i pā ki te whakahaere. Hei whakakaha i ēnei tūāpapa mārō, e arotahi ana mātou ki tō mātou whanaketanga tonutanga me tō mātou pakaritanga hei whakahaere i a mātou e whakatutuki ana i ō mātou koronga rautaki, me te whakarite kia whai papa taunakitanga tonu ā mātou mahi, kia whai pānga, ā, kia hāngai tonu ki ērā e whirinaki ai.

Over the past year, Aotearoa New Zealand has continued to face the practical consequences of a changing climate, alongside wider economic and global uncertainty.

Particularly in the first few months of 2026, many New Zealanders have had severe weather disrupt and alter everyday life.

The increasing impacts of the changing climate mean planning ahead matters more than ever. Aotearoa New Zealand is currently stuck in a react and recover mode, playing catch up and having to deal with, often, repeated damage to transport, homes and food supply.

We aren't just seeing disruption here at home either; global tensions, fuel scarcity and rising prices are adding to cost-of-living pressures on households, many of whom are still cleaning up from weather events.

For many households, this means managing disruption on top of ongoing rising living costs. Whānau who are already navigating high food, fuel and insurance costs are having to deal with repairing homes and infrastructure, all while trying to plan and mentally prepare for what comes next.

The scale and pace of these pressures can feel overwhelming, and it is not possible to address everything at once. The convergence of these risks increases uncertainty for Aotearoa New Zealand, which highlights the importance of early decision-making to reduce exposure and confront trade-offs head on. This makes it important to focus on where risks are greatest and where early action can have the most impact, while being clear about the trade-offs involved.

This makes the Commission's role increasingly important. We work hard to ensure that decision-makers across government, businesses and communities have access to clear analysis about risks, trade-offs and options over time.

In 2026/27, we will deliver our annual emissions reduction monitoring report and advice on New Zealand Emissions Trading Scheme (NZ ETS) unit limits and price control settings. We will also deliver the second progress assessment of the National Adaptation Plan. Following recent legislative changes, we will deliver updated advice on the fourth emissions budget in March 2027.

This work programme, while legislatively set, means the Commission is delivering on its role to provide advice on both mitigating and adapting to the effects of climate change.

Adaptation is increasingly forefront of mind as the impacts of severe weather are ramping up and disrupting people's lives. But adaptation alone can only do so much. To effectively reduce the scale of risks we are facing, we need to continue progress to contribute to the global effort to curb emissions. Right now, the earlier we invest time, money and effort in climate resilience and lowering emissions, the lower the overall costs and risks.

The Commission will deliver our work with clear focus on what matters most, by providing sound judgement and delivering strong engagement across government, business and communities. We are conscious that we are delivering our reports into a noisy and uncertain environment, but we will continue to direct our efforts where they will have the greatest impact.

As signalled last year, the 24/25 budget cuts have resulted in the organisation reducing headcount by one third. The outcome of the reduction means we are delivering at full stretch.

We now have limited ability to respond flexibly, or absorb additional or altered demands and our organisational resilience is constrained. Over time, further pressure will increasingly affect our ability to sustain delivery quality, support staff wellbeing, engage as meaningfully and retain the capacity to tailor and communicate our work effectively to the diverse audience who rely on our analysis.

Looking at the year ahead, this will be the first Statement of Performance Expectations delivered under the new Statement of Intent period. As I look back at the previous Statement of Intent, I am proud of what we achieved over that period, particularly given the pace of change around the organisation both domestically and internationally. Building on these solid foundations, we are focused on continuing to grow and mature as an organisation as we deliver against our new strategic intentions, ensuring our work remains evidence-based, impactful, and relevant to those who rely on it.

J E Hendy

Jo Hendy
Chief Executive | Tumu Whakarae
9 June 2026

Te Tuatahi – He Pou a Rangi me āna mahi | Section 1 – The Commission and our work

He Pou a Rangi: te mātai matua | The Commission at a glance

Our vision	• A thriving, climate-resilient and low-emissions Aotearoa New Zealand.
Our legislation	• We were established in 2019 by an amendment to the Climate Change Response Act 2002 (CCRA).[1]
Our purpose	• We provide independent, expert advice to the Government on mitigating climate change and adapting to its effects. • We monitor and review the Government's progress towards its emissions reductions and adaptation goals.
How we work	• The CCRA prescribes a repeating cycle of advice, monitoring and assessment reports that we develop and deliver through time to support the Act's purpose – we refer to these as our statutory reports. • Our work can have a long-term impact for all of Aotearoa New Zealand, so we engage, partner, and consult with relevant stakeholders. • We need to understand the specific effects of our reports on iwi/Māori, so we seek to build relationships to incorporate te ao Māori perspectives into our work. • We use our independent analysis and expert judgement to advise the Government on climate change mitigation and adaptation action, and we monitor progress to reduce emissions and adapt to climate change. • We constantly look for opportunities to make our independent, evidence-based advice accessible and actionable. • We have a learning mindset, adapting and improving how we develop and communicate our statutory deliverables over time.
Our people	• The Commission has a staff of 70 with expertise in physical, natural and social sciences, engineering, economics, policy, modelling, te ao Māori, communication and other relevant fields, and a Governance Board of eight Board members.
Our legal status	• We are an independent Crown entity subject to the Crown Entities Act 2004. Our independence relates to our statutory independent functions defined in the Climate Change Response Act 2002. • We are accountable to the Minister of Climate Change for our performance. • Our monitoring agency is the Ministry for Cities, Environment, Regions and Transport (MCERT).

1. Climate Change Response (Zero Carbon) Amendment Act (2019) https://www.legislation.govt.nz/act/public/2002/0040/latest/DLM158584.html

Our name – He Pou a Rangi – Ingoa Māori

At its simplest, He Pou a Rangi can be translated as 'a pillar of the sky'.

Pou can uphold, provide a point of connection, protect, and provide stability. In te ao Māori, Pou provide a two-way connection, upholding and uplifting what is above, but also connecting and grounding with what is below. Pou connect Ranginui, the sky father, to Papatūānuku, the earth mother. He Pou a Rangi Climate Change Commission is honouring this connection and, in turn, has a duty to care for it.

The use of 'He' Pou rather than 'Te' Pou recognises that we are one of many Pou or organisations working to address climate change and transition Aotearoa New Zealand to a thriving, climate-resilient, low-emissions future.

Te tau nei | Our year ahead

As the independent climate change advisor to the Government, we have a unique role in supporting informed and effective climate action in Aotearoa New Zealand. We operate as part of a wider climate policy and action system, rather than in isolation.

Our 2026/27 financial year will be guided by the strategic direction set out in our refreshed Statement of Intent 2026–2030, alongside the Minister's expectations for the Commission.

We will focus on delivering our statutory reports under the Climate Change Response Act, ensuring they are clear, accessible, and supported by robust evidence and analysis. We will continue to strengthen how we articulate key judgements, trade-offs, and the broader implications of our advice, including how climate action supports sustained economic growth, energy security, and improved wellbeing outcomes for Aotearoa New Zealand.

We will continue to engage with government agencies, iwi and Māori, stakeholders, and the public to strengthen the evidence base that informs our advice and to support understanding of key climate policy choices. This includes maintaining a proactive and open approach to engagement, consistent with our statutory role.

In a constrained fiscal environment, we will carefully manage trade-offs as organisational capacity reaches its limits, making deliberate choices about prioritisation, sequencing, and depth of work in order to stay within available capacity. Our efforts will continue to focus on the areas of our mahi that deliver the greatest system-level value to Aotearoa New Zealand: to help decision-makers anticipate and manage where and when impacts fall. We will do this while providing stable, credible reference points that support confidence in long-term planning across central and local government and the wider economy.

More information on the context for our work can be found in the Statement of Intent 2026–2030.

Our strategic intentions

Our three strategic intentions for 2026–2030 describe our medium-term objectives for preparing and delivering our outputs over the longer term. Our strategic intentions are:

Engaging to unlock action

This describes our focus on genuine engagement and relationship building, and on highlighting actions for decision-makers – both within and outside of government – that will stabilise the direction of climate action in Aotearoa New Zealand while also helping the system adapt.

Our advice needs to be both ambitious and achievable. We need to understand the needs, expectations and constraints of those who are affected by our work, so we put engagement at the core of what we do.

Talking to people about what they are already doing, what is possible, and where there are barriers helps us understand what achievable looks like on the ground, and where we can highlight opportunities for action.

We look at what actions hold across multiple scenarios, what to do now versus what can be done later, and where there are trade-offs to make across systems.

Maximising our impact

This describes how we approach our work – seeking where we can deliver a strong return on investment for Aotearoa New Zealand, and the value we put on people being able to easily find and use our work.

We want people to be able to use our work beyond its legislated purpose of informing government actions. We provide a medium- to long-term evidence base that supports government, businesses and households to plan with confidence. When we undertake our analysis, we also consider how we can make it accessible for people.

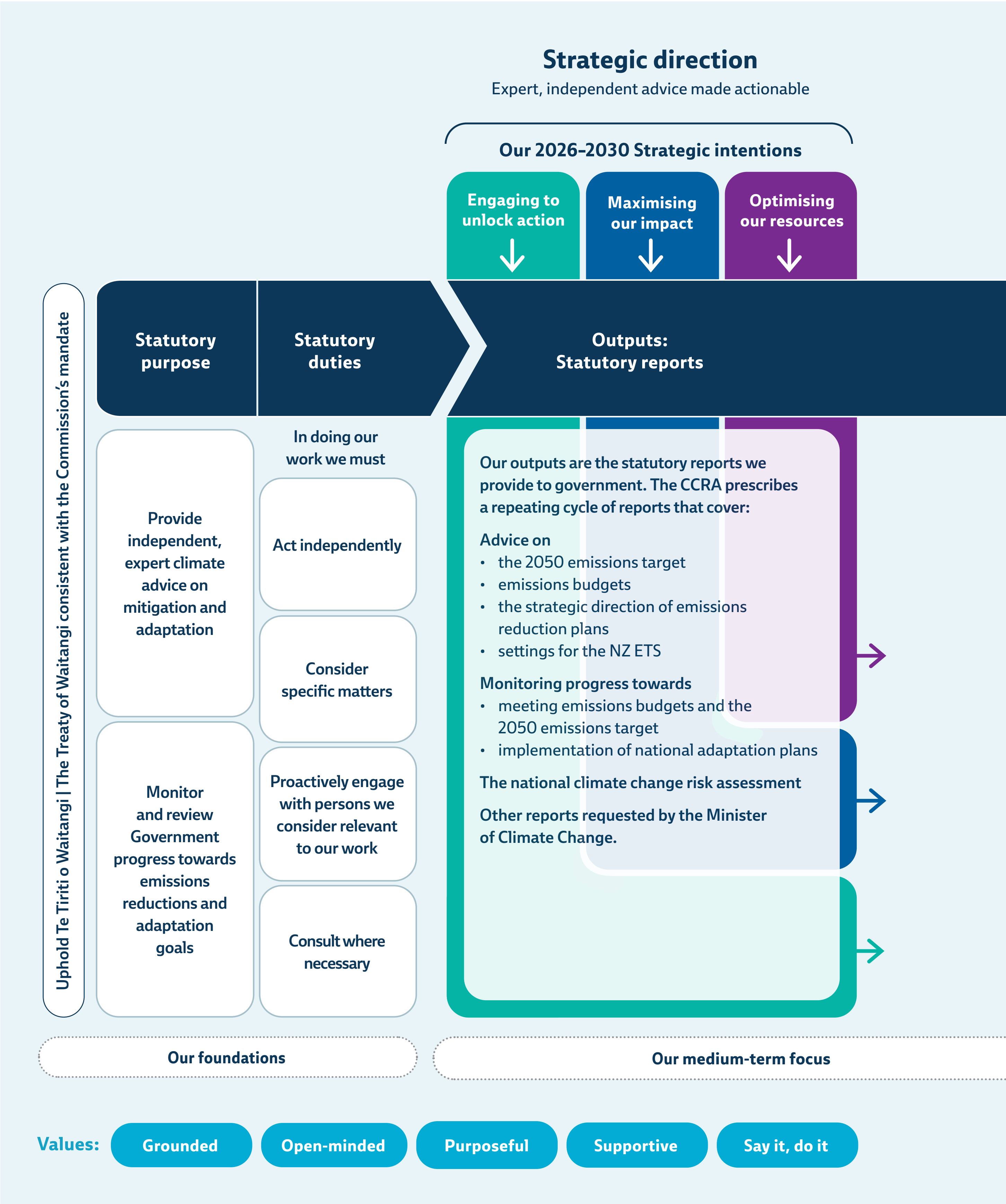
We publish case studies that have informed our analysis so that businesses and communities can learn from each other, we share our modelling and summarise and share key insights form our work.

Optimising our resources

This describes our drive for clarity about our goals and priorities, so that we can make strategic decisions about where to direct our energy and resources.

Our work programme is complex and so we want to be investing our efforts in the highest value work. Streamlining how we work helps us to do this, whether its proactively planning for what we need over the long term rather than focusing short term, or investing in systems and tools that help free up resources to focus on value-add work.

Figure 1: Our 2026–2030 Strategic Framework



Impacts	Outcomes	Vision
Decision-makers receive independent, evidence-based reports to help them make well-informed, timely decisions	Aotearoa New Zealand's climate policy system is well governed, trusted and forward-looking	A thriving, climate-resilient and low-emissions Aotearoa New Zealand
People have access to trusted, independent information to help them understand progress, barriers to action and opportunities	People understand where Aotearoa New Zealand is heading on climate change, enabling them to take informed and confident decisions now	
Our reports draw on diverse perspectives, so they strengthen our advice to decision-makers		

International climate action

Our long-term contribution

Our operational objectives

In 2024, we introduced four operational objectives to guide where we focus our efforts as an organisation to deliver what is required now and in the future. Collectively, these objectives set us up to achieve our strategic intentions, enabling us to focus on the areas that will best support our strategic direction of engaging to unlock action, maximising our impact, and optimising our resources.

These objectives set us up to fulfil our multi-year statutory responsibilities under the CCRA and our obligations as an independent Crown entity.

We will continue to use these operational objectives to provide clear direction and manage the risk that resourcing for short-term delivery undermines the preparation needed now for successful delivery in the future.

Figure 2: Our operational objectives

Prepare	Anticipate	Streamline	Execute
We prepare for delivery with a four-year horizon.	We anticipate changes in our operating context and adjust delivery accordingly.	We increase our efficiency and productivity.	We deliver our statutory work in a planned and efficient way.

Our outputs

Our outputs are the statutory reports we provide to Government to fulfil our statutory functions outlined in section 5J of the CCRA. In any year, our work programme is defined by the reports that must be delivered in that period and those that are in the process of development. This reflects the multi-year nature of much of our work, and the lead-in time needed to build the evidence base and carry out related engagement and consultation activities.

Our Statutory Framework requires us to consider a wide range of specific factors in our decision-making. Meeting these obligations consistently requires robust, well-structured, and repeatable evidence.

In 2025 we took the first steps to establish an evidence base work programme to streamline work and generate more relevant insights. The purpose of the programme is to efficiently and effectively develop evidence that can be used across multiple projects, rather than commissioning or collecting evidence on a project-by-project basis. This will help build a shared, reusable evidence base, improving consistency, reducing duplication, and increasing overall efficiency and value for money.

The programme prioritises early identification of common evidence needs, targeted data collection, and systematic analysis so that evidence developed for one purpose can be confidently drawn on for others.

This approach ensures our decisions are better supported, more transparent, and more resilient, while enabling us to focus resources on filling genuine evidence gaps rather than recreating existing information. We will be further embedding this programme in the coming year.

In 2026/27, we will deliver our annual reports on **progress towards emissions targets and emissions reduction plans,** and advice on **New Zealand Emissions Trading Scheme (NZ ETS) unit limits and price control settings.** We will also deliver the second **progress assessment of the National Adaptation Plan.** Following recent legislative changes, we will deliver **updated advice on the fourth emissions budget** in March 2027.

Our statutory reports are developed in line with our science strategy and are robustly tested in accordance with our quality assurance system. Our advice is informed by scientific evidence, modelling, and engagement across Aotearoa New Zealand, including public calls for evidence where appropriate. All work is undertaken with consideration of Te Tiriti o Waitangi | The Treaty of Waitangi and the Crown–Māori relationship, consistent with our mandate.

The Commission's statutory reports for 2026/27 are detailed in Table 1.

Supporting the delivery of our outputs are our internal systems and practices that act as the foundation to who we are as an independent, evidence-based advisor, and enable us to deliver public value and cost effectiveness. In 2026/27, our focus for these internal systems and practices will include:

- enhancing our risk management approach to support stronger integration into planning, decision-making and organisational performance
- continuing to strengthen financial stewardship and resource management to ensure public resources are used effectively and responsibly.

Table 1:
Key outputs – our statutory work programme[2] for 2026/27

Output The statutory reports we produce	**Description**	**Due by**
Emissions reduction monitoring report	Annual monitoring report on progress towards meeting emissions targets and emissions reduction plans. The report will include measured emissions and removals for that year, the latest projections of current and future emissions and removals, and an assessment of the adequacy of the Government's Emissions Reduction Plan and progress against its implementation. The insights and lessons learned from monitoring can help inform our future advice on opportunities to reduce emissions, limitations in Aotearoa New Zealand's approach and gaps in progress. Independent monitoring by the Commission helps give people here, and overseas, confidence in how Aotearoa New Zealand is tackling climate change.	July 2026
National Adaptation Plan progress assessment report (NAPPA)	Progress report evaluating the implementation and effectiveness of the Government's National Adaptation Plan. It must also identify barriers to implementation and effectiveness, and how those barriers can be managed. Monitoring the Government's progress against its National Adaptation Plan can better inform adaptation decisions going forward.	July 2026

2. The list of key outputs highlights our major initiatives for the year, rooted in our statutory functions and requirements under the CCRA.

Output The statutory reports we produce	**Description**	**Due by**
Advice on NZ Emissions Trading Scheme (NZ ETS) unit limits and price control settings report	The NZ ETS is an important tool to help meet the country's climate goals. Our advice in the report helps ensure that the NZ ETS operates effectively and in accordance with emissions budgets, nationally determined contributions, and the 2050 target. Our advice feeds into the Government's annual update of the regulations that set unit limits and price control settings for the NZ ETS.	Feb – April 2027
Emissions Budget 4 update (EB4)	The Commission is required to update its advice to the Minister on emissions budgets, including revisions to notified emissions budgets, following the passage of the Climate Change Response (2050 Target and Other Matters) Amendment Act 2025 in December 2025. This Act introduced changes to the biogenic methane component of the 2050 target. The advice covers both the recommended level for the fourth emissions budget (2036–40) and proposed revisions to the first three notified emissions budgets.	March 2027

Te Tuarua – Tauākī matapae | Section 2 – Statement of forecast non-financial performance

Te kupu pūtea | Appropriation information

The Commission receives funding from the Crown through appropriations of public money each financial year. We are funded by the Crown through one appropriation within Vote Environment, the Climate Change Commission – Advisory and Monitoring Function appropriation.

What is intended to be achieved with this appropriation/class of outputs

This appropriation is intended to provide independent, evidence-based advice to Government to help Aotearoa New Zealand transition to a low-emissions and climate-resilient economy.

Climate Change Commission – Advisory and Monitoring Function (M12) (A44)

Scope	2024/25	2025/26		2026/27
	Actual $000	Final Budgeted $000	Estimated Actual $000	Budget $000
This appropriation is limited to the establishment and operations of the Climate Change Commission in accordance with its statutory purposes and functions.	16,056	15,504	15,504	14,804

How performance will be assessed and end of year reporting requirements

Assessment of performance	2024/25	2025/26		2026/27
	Actual	Final budgeted standard	Estimated actual	Budget standard
The Climate Change Commission will carry out its functions in accordance with its purpose as set out in its enabling legislation and its Strategic Intentions	Achieved	Achieved	Achieved	Achieved

Our performance against this appropriation will be reported on in our Annual Report.

Changes made to this appropriation for 2026/27

The Commission's appropriation will reduce by $700k in 2026/27. $600k of this is due to the end of an appropriation received to build and maintain an evidence base for our advice and monitoring work. This was a time-bound appropriation and has ended as expected.

Te aromatawai i ā mātou whakatutukitanga | How we will assess our performance

Our performance measurement

As an advisory body, we do not run or implement government policies or programmes. Our value, and the public benefit we deliver, lies in improving the quality of decision-making across the climate system by ensuring it can be informed by credible evidence, robust analysis, and a clear understanding of risks, trade-offs, and long-term implications, alongside the public engagement, consultation and communication that underpins it.

While we do not control decisions or outcomes, we do influence them. Measuring our performance at an output and an impact level is therefore critical to demonstrating accountability for the public resources entrusted to us, understanding whether our reports are considered, strengthening the quality and relevance of future reports, and maintaining trust and credibility with decision-makers and stakeholders.

These performance measures are designed to work together cohesively, so that output performance supports impact achievement.

Output measures

1. Reports due in the relevant reporting year are delivered within statutory timeframes
2. Our reports are developed from credible evidence and subject to appropriate internal assurance and external testing and review
3. Our reports are developed and delivered using documented project and programme methodology
4. The advice provided in our reports is made with consideration to the Crown–Māori relationship, te ao Māori, and specific effects on iwi/Māori

Impact measures

5. The Government has considered our reports in its decision-making
6. Survey respondents agree that we provide credible advice to the Government
7. The Commission provides information about our work in a range of different formats that support the needs of different audiences
8. Survey respondents agree we are an evidence-based, robust organisation
9. Survey respondents believe that "there is value for me" in engaging with the Commission
10. Survey respondents rate our consultation process as 'very good' or 'fairly good'

Our performance measures are designed in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) requirements. This ensures that our performance reporting clearly demonstrates the relationship between our strategic framework, its vision, outcomes, impacts and outputs, and the measures used to assess progress.

Illustrative examples

We are introducing illustrative examples that support both the qualitative and quantitative measures we use to demonstrate the difference our work makes. These examples will focus on how our work contributes to better understanding and more informed decision-making. Together, they will enable us to present a clear, balanced, and credible performance story.

Our reportable classes of outputs

The Commission has one reportable output class, **Advisory and Monitoring Function**, as defined in its appropriation. It does not have any other classes of output that are not reportable output classes. No exemptions have been granted under section 149F(1)(a) of the Crown Entities Act 2004.

We will report on our performance measures in the Annual Report 2026/27 using the following rating and assessment criteria:

Rating	Assessment criteria
Achieved	On standard or better as determined by assessment methodology
Partially achieved	Judgement using assessment methodology, where significant progress was made towards the performance standard[3]
Not achieved	Performance did not meet the standard as determined by assessment methodology
Not measured	Data or information not available to enable assessment
Illustrative example	Illustrative examples are used to complement the performance measures by providing informed narrative of how our work contributes to our impacts and outputs. These examples are not assessed or rated; rather, they support the reader's understanding of the Commission's performance and the value of our advice in our statutory reports.

3. Where a performance result is rated 'partially achieved', the judgements used for that result will be disclosed in our Annual Report.

Service performance information – judgement and assumptions

In complying with PBE FRS 48 we have made the following judgements and assumptions in the selection of our non-financial performance measures and targets:

- The documented rationale, assumptions, and judgements used in selecting the performance information are correct.
- The rationalisation of our performance measures balances what matters most to our work delivery while linking to our strategic intentions and outcomes in the SOI.
- Ongoing improvement is balanced with maintaining comparability and consistency.

Our Annual Report 2026/27 will include detailed disclosures of the key judgements and assumptions made in determining our overall non-financial performance for the year.

Te tūtohu mahi | Performance measures

Output measures

By assessing the timeliness and quality of our reports, our output measures demonstrate accountability for the public resources entrusted to us and how output performance supports impact achievement.

ID	Performance measure	Actual 2024/25	Target 2025/26	Target 2026/27	Assessment methodology
1	**Reports due in the relevant reporting year are delivered within statutory timeframes**	Achieved 100%	100%	100%	All statutory reports are delivered within required statutory timeframes during the reporting period.
2	**Our reports are developed from credible evidence and subject to appropriate internal assurance and external testing and review**	Achieved 100%	100%	100%	All statutory reports are signed off by the delegated authority as meeting our Board approved quality assurance/quality control approach, including the evidence criteria defined in our Science Strategy.
3	**Our reports are developed and delivered using documented project and programme methodology**	Achieved	Achieved	Achieved	Internal project and programme methodology has been followed to develop our reports.
4	**The advice provided in our reports is made with consideration to the Crown-Māori relationship, te ao Māori, and specific effects on iwi/Māori**	Achieved	Achieved	Achieved	All reports are reviewed with consideration to te ao Māori, and specific effects on iwi/Māori as per the Board approved quality assurance / quality control approach.

Impact measures

By measuring whether our advice is being accessed, used and understood, as well the quality of our statutory duty to engage and sometimes consult, our impact measures demonstrate that we are supporting informed, evidence-based decision-making. They show our contribution to setting the conditions for better long-term outcomes.

ID	Performance measure	Actual 2024/25	Target 2025/26	Target 2026/27	Assessment methodology
	Impact Decision-makers receive independent, evidence-based reports to help them make timely, well-informed decisions				
5	**The Government has considered our reports in its decision-making**	Achieved	Achieved	Achieved	Assessment of collated material from government.[4]
6	**Survey respondents agree[5] that we provide timely and credible advice to the Government[6]**	Not measured in 2024/25	≥ 60%	Not measured in 2026/27	Biennial survey, next conducted in 2027/28.

4. Material from government that demonstrates consideration of our reports in its decision-making may include, but is not limited to, government responses to our advice, Cabinet minutes, and/or Ministerial directions.
5. 'Agree' is defined as having reported 'agree' or 'strongly agree' in the response to this survey question.
6. Data on which we rely to assess performance is only available on a biennial (two-yearly) basis through a survey, run by an external party, that canvasses views from a range of people the Commission has interacted with over the previous two-year period. The last survey was conducted in 2025/26, with the next one to be conducted in 2027/28.

ID	Performance measure	Actual 2024/25	Target 2025/26	Target 2026/27	Assessment methodology
	Impact People have access to trusted, independent information to help them understand progress, barriers to action and opportunities.				
7	**The Commission provides information about our work in a range of different formats that support the needs of different audiences**	New measure	New measure	Achieved	Illustrative examples[7] will be selected from activities associated with the Commission's publications
8	**Survey respondents agree[8] we are an evidence-based, robust organisation[9]**	Not measured in 2024/25	≥ 60%	Not measured in 2026/27	Biennial survey, next conducted in 2027/28.
	Impact Our reports draw on diverse perspectives, so they strengthen our advice to decision-makers				
9	**Survey respondents believe that "there is value for me" in engaging with the Commission**	Not measured in 2024/25	≥ 60%	Not measured	Biennial survey, next conducted in 2027/28.
10	**Survey respondents rate our consultation process as 'very good' or 'fairly good'**	Not measured in 2024/25	≥ 60%	Not measured in 2026/27	Biennial survey, next conducted in 2027/28.

7. We are also introducing illustrative examples at the Impact layer to demonstrate the difference our work makes across the system
8. Ibid Footnote 5
9. Ibid Footnote 6

Te Tuatoru – Ngā matapae whakataunga pūtea | Section 3 – Prospective financial statements

Introduction

These prospective financial statements have been prepared in accordance with generally accepted accounting practice for public sector public benefit entities. Their purpose is to facilitate consideration by Parliament of the planned performance of the Commission. The use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented and that the variation may be material. The information has not been audited.

These prospective financial statements have been prepared based on assumptions about future events that the Commission reasonably expects to occur as at the date the information was prepared. It is not intended that this information will be updated. The forecast financial statements were authorised for issue by the Board on 9 June 2026.

Assumptions

The following assumptions have been used in preparing these prospective financial statements.

- The Commission's statutory functions will remain unchanged.
- Revenue from the Crown of $14.8m will be available for the 2026/27 year.
- The Commission's cash balance will not decrease below $2m at any point during the year.
- There will be no change in premises occupancy.
- Externally driven costs have been adjusted to increase based on inflation assumption in 2026/27 or any known actual cost increases.
- There will be no unexpected external events (such as a natural disaster) that will require significant operating or capital expenditures to be incurred.

Statement of accounting policies

(a) Reporting Entity

The Climate Change Commission (the Commission) is an independent Crown entity as defined by the Crown Entities Act 2004. It was established under the Climate Change Response (Zero Carbon) Amendment Act 2019. The Commission's principal activities are to:

1. provide independent, expert advice to the Government on mitigating climate change and adapting to its effects; and
2. monitor and review the Government's progress towards its emissions reduction and adaptation goals.

The Commission is a public benefit entity (PBE) for financial reporting purposes.

(b) Statement of Compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These prospective financial statements comply with PBE accounting standards, being prepared in accordance with Tier 2 PBE accounting standards, as a PBE with expenses less than $33m.

The Commission has applied these standards in preparing these prospective financial statements and has applied all the Reduced Disclosure Requirements Concessions available at Tier 2.

(c) Measurement base

The prospective financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(d) Functional and presentation currency

These prospective financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000).

(e) Significant accounting policies

The significant accounting policies which materially affect the measurement of financial performance, position and cash flows have been applied consistently for all reporting periods covered by these financial statements.

Revenue from the Crown

The Commission is primarily funded through revenue from the Crown. Revenue receipts from Crown transactions are non-exchange transactions. The funding is restricted in its use for the purpose of the Commission meeting its objectives as specified in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, the Commission considers there are no conditions attached to the funding.

Revenue from the funding is recognised in the financial period to which the appropriation relates. The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest

Interest revenue is a small contributor to income. All interest revenue is earned monthly from cash balances held in the bank and is recognised when interest is credited to the bank account at end of each month.

Expenditure

All expenditure incurred in the provision of outputs for the Crown is recognised in the surplus or deficit when an obligation arises, using an accruals basis.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised as a reduction of rental expenses over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with maturities of three months or less.

Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Commission applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. Short-term receivables are written off when there is no reasonable expectation of recovery.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: information technology equipment, furniture and fixtures and leasehold improvements. All items are measured at cost less accumulated depreciation and impairment losses.

Additions

An item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Commission beyond one year or more and the cost of the item can be measured reliably. Property, plant and equipment is initially recorded at its cost. Subsequent expenditure that extends the useful life or enhances the service potential of an existing item of property, plant and equipment is capitalised. All other costs incurred in maintaining the useful life or service potential of an existing item of property, plant and equipment are expensed in the surplus or deficit as they are incurred. Work in progress is recognised at cost and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains or losses arising from the sale or disposal of an item of property, plant and equipment are recognised in the surplus or deficit in the period in which the item of property, plant and equipment is sold or disposed of.

Depreciation

Depreciation is provided on a straight-line basis on all asset components at rates that will write off the cost of the assets to their estimated residual values over their useful life. Leasehold improvements are depreciated over the unexpired period of the lease. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use. Any impairment losses are recognised in the surplus or deficit. At each balance date, the useful lives and residual values of the assets are reviewed. The estimated useful lives of the major asset classes are:

Information technology equipment	3 to 5 years
Leasehold improvements	8 years (term of lease)
Furniture and fittings	3 to 5 years

Intangible assets

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful life of intangible assets has been estimated as follows:

Website	3 years

Creditors and other payables

Short-term payables are recorded at the amount payable.

Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Commission is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Comprehensive revenue and expenses
- Ownership transactions.

Cash flows

The prospective cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive revenue and expense.

Critical judgements in applying accounting policies

In preparing these financial statements, the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant and equipment.

Management has exercised the following critical judgement in applying accounting policies:

- Classification of the rental lease as an operating lease.

Statement of Prospective Comprehensive Revenue and Expense

for the year ending 30 June 2027

	Estimated actual 2025/26 $000	Forecast 2026/27 $000
Revenue		
Revenue Crown	15,504	14,804
Interest income	100	58
Other revenue	-	-
Total revenue	**15,604**	**14,862**
Expenses		
Personnel	(10,596)	(10,682)
Other expenses	(4,673)	(3,854)
Depreciation and amortisation expenses	(314)	(301)
Total expenses	**(15,583)**	**(14,837)**
Net surplus(deficit)	**21**	**25**
Other comprehensive revenue and expense	**-**	**-**
Total comprehensive revenue and expense	**21**	**25**

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Comprehensive Revenue and Expense.

Statement of Prospective Changes in Equity

for the year ending 30 June 2027

	Estimated actual 2025/26 $000	Forecast 2026/27 $000
Balance as at 1 July	2,478	2,499
Comprehensive revenue and expenses		
Total comprehensive revenue and expense for the year	**21**	**25**
Balance as at 30 June	**2,499**	**2,524**

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Changes in Equity.

Statement of Prospective Financial Position

for the year ending 30 June 2027

	Estimated actual 2025/26 $000	Forecast 2026/27 $000
Assets		
Current assets		
Cash and cash equivalents	2,784	3,036
Debtors and other receivables	204	204
Total current assets	**2,988**	**3,240**
Non-current assets		
Property, plant and equipment	1,068	866
Intangible assets	188	125
Total non-current assets	**1,256**	**991**
Total assets	**4,244**	**4,231**
Liabilities		
Current liabilities		
Creditors and other payables	525	525
Annual leave liability	707	707
Goods and Services Tax	(41)	(46)
PAYE and withholding tax	182	156
Lease incentive - current	25	25
Employee entitlements	234	252
Total current liabilities	**1,632**	**1,619**
Non-current liabilities		
Provisions	-	-
Lease incentive	113	88
Total non-current liabilities	**113**	**88**
Total liabilities	**1,745**	**1,707**
Net Assets	**2,499**	**2,524**
Equity		
Total comprehensive revenue and expense	21	25
Retained earnings	2,478	2,499
Total Equity	**2,499**	**2,524**

Statement of Prospective Cash Flows

for the year ending 30 June 2027

	Estimated actual 2025/26 $000	Forecast 2026/27 $000
Cash flows from operating activities		
Cash was received from		
Receipts from Crown	15,504	14,804
Receipts from other revenue	100	58
Cash was applied to		
Payments to suppliers	(4,357)	(3,482)
Payments to employees	(10,837)	(11,078)
Net cash flows from operating activities	**410**	**302**
Cash flows from investing activities		
Cash was applied to		
Purchase of property, plant and equipment	(14)	(50)
Purchase of intangible assets	(188)	-
Net cash flows from investing activities	**(202)**	**(50)**
Cash flows from financing activities		
Capital withdrawal	-	-
Net cash flows from financing activities	**-**	**-**
Net (decrease)/increase in cash	208	252
Opening cash and cash equivalents	2,576	2,784
Closing cash and cash equivalents	**2,784**	**3,036**

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Cash Flows.

He Pou a Rangi –
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Te Kāwanatanga o Aotearoa
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